



U.S. Department of the Interior
Office of Inspector General

AUDIT REPORT

**OPERATION AND MAINTENANCE OF
GOVERNMENT FURNISHED QUARTERS,
U.S. FISH AND WILDLIFE SERVICE**

**REPORT NO. 96-I-270
JANUARY 1996**



United States Department of the Interior

OFFICE OF INSPECTOR GENERAL
Washington, D.C. 20240

FEB 13 1996

MEMORANDUM

TO: The Secretary

FROM: Wilma A. Lewis *W. Lewis*
Inspector General

SUBJECT SUMMARY: Final Audit Report for Your Information - "Operation and Maintenance of Government Furnished Quarters, U.S. Fish and Wildlife Service" (No. 96-I-270)

Attached for your information is a copy of the subject final audit report.

The U.S. Fish and Wildlife Service had more Government furnished quarters than it needed to house employees essential to the effective operation of its programs. Specifically, 98 (25 percent) of the 387 quarters managed by the three regions we reviewed were classified by the regions as vacant. However, the Service had not established procedures to determine under what conditions housing units should be kept and maintained. We also found that the Service needed to improve controls over accounting for and using quarters account funds and to ensure that rental rates for Government furnished quarters were properly established. The Service agreed with all eight of our recommendations to correct these conditions.

If you have any questions concerning this matter, please contact me at (202) 208-5745.

Attachment



United States Department of the Interior

OFFICE OF INSPECTOR GENERAL

Headquarters Audits
1550 Wilson Boulevard
Suite 401
Arlington, VA 22209

JAN 29 1996

AUDIT REPORT

To: Assistant Secretary for Fish and Wildlife and Parks

From: Judy Harrison *Judy Harrison*
Acting Assistant Inspector General for Audits

Subject: Final Audit Report on the Operation and Maintenance of Government
Furnished Quarters, U.S. Fish and Wildlife Service (No. 96-1-270)

INTRODUCTION

This report presents the results of our audit of the U.S. Fish and Wildlife Service's operation and maintenance of Government furnished quarters. The objective of our review was to determine whether the Service was operating and maintaining quarters in accordance with Federal, Department of the Interior, and Service requirements. Specifically, we reviewed: (1) the occupancy and use of Government furnished quarters; (2) the expenditure of funds from the quarters account and (3) the process used to establish rental rates.

BACKGROUND

The U.S. Fish and Wildlife Service maintains Government furnished quarters at 173 wildlife refuges, 66 fish hatcheries, 3 Job Corps Centers, and 9 other locations. These quarters are rented to permanent and seasonal employees at facilities where it has been determined that it is essential to have employees living at the location to provide services or protection or where alternative housing is unavailable.

Revenues from the rental of Government furnished quarters are deposited into a special fund to be used only to operate, maintain, repair, or alter these quarters and to pay for overhead directly associated with the quarters program. Quarters rental rates are based on comparability with private sector rates in accordance with Office of Management and Budget Circular A-45 (Revised), "Rental and Construction of Government Quarters." Base rental rates are established by the Bureau of Reclamation for use by all bureaus in the Department. The Service may adjust the base rates for such items as the age, size, and condition of the house or for inadequate amenities such as unpaved streets or deficient electric service. From

October 1992 through March 1994, the Service deposited about \$2.6 million into its quarters account and incurred obligations totaling about \$2.0 million for maintenance and repairs.

SCOPE OF AUDIT

Our audit was made, as applicable, in accordance with the "Government Auditing Standards," issued by the Comptroller General of the United States. Accordingly, we included such tests of records and other auditing procedures that were considered necessary under the circumstances. We reviewed quarters transactions that occurred from October 1992 through March 1994. Our audit included visits or contacts with 3 regional offices, 14 hatcheries, 32 refuges, 1 research facility, and 1 Job Corps Center (see Appendix 2).

As part of our review, we evaluated the internal controls related to the operation of Government furnished quarters within the Service. Our evaluation disclosed weaknesses regarding the use and occupancy of the quarters, the expenditure of funds from the quarters account, and rent computation. These weaknesses are discussed in the Results of Audit section of this report. If implemented, the recommendations should strengthen the internal controls in these areas.

We also reviewed the Secretary's Annual Statement and Report to the President and the Congress, required by the Federal Managers' Financial Integrity Act of 1982, for fiscal year 1993 to determine whether any reported weaknesses were within the objective and scope of our audit. We determined that none of the Service's reported weaknesses were within the objective and scope of our audit.

PRIOR AUDIT COVERAGE

Neither the General Accounting Office nor the Office of Inspector General has audited the Service's Government furnished quarters program within the past 5 years.

RESULTS OF AUDIT

The U.S. Fish and Wildlife Service has more Government furnished quarters than it needs to house employees essential to the effective operation of its programs. Specifically, 98 (25 percent) of the 387 quarters managed by the three regions we reviewed were classified by the regions as vacant. However, the Service had not established procedures to determine under what conditions a facility should keep and maintain Government furnished quarters. As a result, the Service spent \$33,000 during fiscal year 1993 to maintain quarters that were vacant and may have to spend an estimated \$375,000 for long-term maintenance; permitted research students to occupy quarters without formal leases delineating their responsibilities and liabilities;

and permitted quarters to be rented to non-Department of the Interior employees without required approval or interagency agreements. We also found that the Service needs to improve controls over accounting for and using quarters account funds and ensure that rental rates for Government furnished quarters are properly established.

Vacant Quarters

Service records indicated that 38 of 186 units in Region 1 (Portland, Oregon), 33 of 91 units in Region 4 (Atlanta, Georgia), and 27 of 110 units in Region 5 (Hadley, Massachusetts) were vacant and many had been so for a considerable period of time. For example, one of the three quarters at Walhalla National Fish Hatchery in South Carolina has not been occupied since July 1990; two of the three quarters at Norfolk National Fish Hatchery in Arkansas have been vacant for 4 1/2 and 1 1/2 years, respectively; and one of the two quarters at Orangeburg National Fish Hatchery in South Carolina has been vacant for about 2 years.

The Service Facilities Manual (Part 371) states, “Generally, specific quarters are assigned to the occupant of a required position.” To meet this criterion of being in a “required position,” the employee must be engaged in an activity related to the protection of life and property and subject to frequent callback or emergency duties. However, regional facility managers said that it is unlikely that the vacant units will be occupied by Service employees because private housing is readily available and reductions in the facilities’ workforce limit the number of prospective tenants.

Considering the number of vacant units Servicewide, particularly at national fish hatcheries (58 of 231) and at national wildlife refuges (123 of 517), we believe that the Service should evaluate the need for Government furnished quarters at each location. Those quarters that are no longer needed and that cannot be converted to other uses should be declared excess and disposed of. Housing units that can be moved (particularly trailers) could be sold or scrapped, and those units for which repair is not feasible, that are unsightly, or that are safety hazards to the staff or the visiting public could be demolished.

Facility managers spent \$33,000 during fiscal year 1993 for maintenance on vacant units and estimated that long-term maintenance needs, while not always identifiable to specific vacant or occupied units, would exceed \$375,000 for facilities with vacant housing units.

Non-Department of the Interior Tenants

The Service permitted non-Department of the Interior personnel to occupy excess housing without formal leases delineating their responsibilities and liabilities. Several facility managers established a policy of allowing college students conducting research

at a facility to occupy vacant quarters at no charge. Facility managers stated that they supported this arrangement because the Service received the benefits of the students' research. However, there were no formal rental agreements with the students and/or the universities they represented. Furthermore, the students were not subject to the general terms and conditions of renting Government furnished quarters that applied to Department of the Interior tenants, which identified both the tenants' and the Government's responsibilities and liabilities.

In addition to the student rentals, managers at five of the facilities included in our review also rented Government quarters to non-Department of the Interior government employees. For example, the housing data base for Region 4 indicated that all five quarters at Greers Ferry National Fish Hatchery in Arkansas were vacant. However, we found that three units were rented to U.S. Army Corps of Engineers employees and a fourth unit was rented to an Arkansas Fish and Game employee. The Service Facility Manual (Chapter 7) requires approval to be obtained from the Assistant Secretary for Fish and Wildlife and Parks before vacant houses are rented to non-Department of the Interior employees and states that the rental charges should be based on the fair market rental rate. The facility manager did not obtain approval to rent to non-Department of the Interior tenants, and the rental rates were based on the same factors and deductions that would be appropriate for Department of the Interior employees, not on the fair market rental rates required by the Service Manual.

Quarters Account Expenditures

The Service did not ensure that funds from the quarters account were used for their intended purposes. The Interior and Related Agencies Appropriations Act of 1985 (Public Law 98-473) requires that quarters rental receipts be deposited into a special fund to remain available until expended by the facility where they are collected. The Departmental Quarters Handbook (400 DM 114-52.802(a)) states that all quarters income, regardless of source, should be expended only for operation of the quarters program to maintain, repair, and alter the quarters units and to pay for overhead directly associated with the quarters program. In addition, the Service Facility Management Manual (Part 371, Chapter 1, Section 1.5C) requires that regional directors review all expenditures from the regional quarters account to ensure that the expenditures are authorized, appropriate, and supported. However, Service regional directors did not establish specific controls or procedures to ensure that these requirements were met. As a result, our review of \$496,187 of the \$811,427 charged to the quarters account from October 1992 through March 1994 for the three regions reviewed identified \$26,596 that was spent for nonquarters purposes, \$11,920 that was spent on housing units for volunteers and students, and \$232,932 for expenditures that were not adequately supported.

Expenditures. Although the regions received summary reporting of quarters expenditures by facility from the Service's Finance Office, none of the three regions reviewed the expenditures to ensure that they were appropriate. As a result, the regions were unaware of the questionable expenditures of funds totaling \$26,596. For example, managers at nine facilities and one region charged the quarters account \$21,810 for items and repairs that were not related to the housing units, such as auto parts, travel costs, motor oil, a calculator, fish food, copy paper, repairs to a copy machine, a car battery, a tort claim, and hatchery signs. These costs should have been charged to the facilities' operating accounts.

Facility managers used the quarters account to pay expenses totaling \$11,920 for the maintenance of and repairs to housing units that were not used to house Department of the Interior employees. These units, which were used by volunteers and/or work-study students, were: (1) houses normally occupied by Service employees; (2) mobile homes or travel trailers obtained through the General Services Administration; or (3) houses acquired as part of the creation of or changes to the boundaries of a refuge or hatchery.

Documentation. The Service did not maintain adequate documentation supporting the expenditures charged to the quarters account. We found that the documents supporting \$232,932 (47 percent) of the \$496,187 charged to the quarters account for the 378 units reviewed did not identify the applicable unit. These expenditures included \$74,392 charged for labor that had no supporting documentation. Charges for labor generally resulted from payroll adjustments that transferred labor costs from an operating account to the quarters account. According to station managers, the adjustment method was used because it was easier than accounting for the time on a daily basis. Also, we found that bills and invoices for services and materials often represented work performed on both Government quarters and other buildings. Generally, there was no basis for the cost allocation, or the quarters account was charged for the total cost. For example, managers at the Patuxent Environmental Science Center charged \$37,600 to the quarters account for services received during fiscal year 1993. However, this amount included charges for services to nonquarters buildings, such as the cost of providing propane gas. In addition, we noted that expenditures such as "weekend lab sample operators duties at HQ plant" and "repairs to Sickel Lab" were improperly charged to the quarters account. Overall, it was not clear from the records whether the items purchased or the work performed was related to Government furnished quarters or to other facilities at the locations.

Rental Rates

The Service needs to ensure that rental rates for Government furnished quarters are properly established. The Service Facility Management Manual (Chapter 1) states that rental rates should be based upon prevailing rates (as established by the Bureau

of Reclamation) for comparable private housing located in the general area and should be subject to adjustments by the Service for condition and lack of amenities. However, facility managers did not conduct inspections of the housing units to determine whether increases or decreases to the base rental rates were warranted or did not adequately document the bases for deductions to the base rental rates.

The Service Facility Management Manual (Part 371, Chapter 2) requires that facility managers conduct annual maintenance inspections of each housing unit and submit the documented results to the regional quarters officer for adjustments to the rental rates as appropriate. However, we found that inspections were not conducted, and as a result, additions to the units, such as garages, were not reflected in the rental rates. In addition, we found that the Service upgraded the overall condition of several units we reviewed but continued to classify the condition of these units as fair. Thus, we believe that the rent reductions may not have been warranted.

The Service Facility Management Manual (Part 371, Chapter 5) requires documentation supporting the lack of amenities to be “sufficiently detailed” to establish the basis for the adjustment. Part 371 further states that this documentation should be collected and recorded for both Government quarters and private housing in the locality and should be verified annually to ensure that the same condition continues to exist. However, we found that the documentation submitted by the facility managers to support the deductions generally consisted of letters to the regional quarters officer which often contained the same boilerplate justifications for the various types of deductions. These letters also did not indicate, or reference any documentation to suggest, that the facility managers had compared the services provided for the Government quarters with the services provided by the communities surveyed.

Recommendations

We recommend that the Director, U.S. Fish and Wildlife Service:

1. Conduct a review of existing Government furnished quarters to identify those units no longer needed to house Department of the Interior employees. Alternative uses should be developed for those units no longer needed, or the units should be disposed of.
2. Require that facility managers enter into formal lease agreements with non-Department of the Interior tenants which identify the responsibilities and liabilities of both the Government and the tenants who use the Government furnished quarters.
3. Require that facility managers identify all rentals of Government furnished quarters to non-Department of the Interior personnel and ensure that such rentals

meet the requirements established in Chapter 7 of the Service's Facility Management Manual.

4. Require that regional officials conduct periodic (at least quarterly) reviews of the quarters account to ensure that expenditures from that account are appropriate.

5. Prohibit the use of quarters account funds for facilities and/or houses that are no longer needed, as established by the Service's review of existing facilities.

6. Require that supporting documentation for expenditures charged to the quarters account identifies the unit on which the work was performed. In addition, supporting documentation for all labor charges should indicate the work accomplished on the unit.

7. Require that facility managers conduct annual maintenance inspections of Government furnished quarters and document the results. The results of the inspections should be reported to the regional quarters officers, who should adjust the tenant rental rates as appropriate.

8. Require that facility managers conduct annual surveys to support reductions to prevailing rental rates and document the results.

U.S. Fish and Wildlife Service Response

The October 31, 1995, response (Appendix 3) from the Deputy Director, U.S. Fish and Wildlife Service, concurred with all eight recommendations.

Recommendation 1. The Service stated that its quarters data base has been updated and the vacant quarters have been identified. The Service also stated that field stations will be required to state in writing, by March 29, 1996, their plans to utilize, convert, or remove from the quarters rolls any units that are vacant.

Recommendations 2 and 3. The Service stated that Part 371, Section 1.5.F, of the U.S. Fish and Wildlife Service Manual will be made "more explicit" by requiring station managers to obtain a signed Form DI 1881, "Quarters Assignment Agreement," from all tenants, including volunteers and non-Service employees. The Service also stated that the appropriate forms for non-Federal and other Federal tenants (GSA Forms 1582 and 1583, respectively) will be referenced in the Manual's revision planned for June 28, 1996. In addition, the Service stated that the regional offices will be "reminded" that the Departmental Quarters Handbook requires approval by the Assistant Secretary for Fish and Wildlife and Parks and the General Services Administration in order to lease to non-Federal tenants.

Recommendation 4. The Service stated that the Division of Finance will work with the National Quarters Officer to retrieve the necessary expenditure reports from the Federal Finance System and that the National Quarters Officer will coordinate necessary corrections and/or reallocations of any questionable expenditures with the regional offices.

Recommendation 5. The Service stated that Section 320 of Public Law 98-473 restricts the expenditure of quarters receipts to quarters operations and maintenance. The Service also stated that the revised Department Quarters Handbook itemizes the authorized uses of quarters income. In addition, the Service stated that implementation of Recommendation 4 will allow for the timely identification of quarters-related expenditures.

Recommendation 6. The Service stated that one of the station managers' responsibilities cited in the draft Manual revision is to "ensure that any major quarters maintenance project (\$1,000+) is documented on a maintenance work order." The Service also stated that a review of quarters expenditures will be included in biennial station inspections conducted by the regional offices.

Recommendation 7. The Service stated that maintenance inspection requirements will be added to the Manual to ensure that the biennial station inspection includes a review of quarters management and quarters maintenance expenditures and that housing inventory changes resulting from maintenance work will be sent to the regional quarters officer within 30 days of completion.

Recommendation 8. The Service stated that the draft revision of the Manual will require that station managers ensure that documentation for "lack of amenities, loss of privacy, excess or inadequate size, excess heating and cooling costs and poor condition deductions" is updated annually. In addition, the Service stated that the documentation is to be signed and dated by the station manager and sent to the regional quarters officer by November 30 of each year.

Office of Inspector General Comments

Based on the Service's response, we consider all eight recommendations resolved but not implemented. Accordingly, the recommendations will be referred to the Assistant Secretary for Policy, Management and Budget for tracking of implementation.

Since the report's recommendations are considered resolved, no further response to the Office of Inspector General is required (see Appendix 4).

The legislation, as amended, creating the Office of the Inspector General requires semiannual reporting to the Congress on all audit reports issued, the monetary impact of audit findings (Appendix 1), actions taken to implement audit recommendations, and identification of each significant recommendation on which corrective action has not been taken.

cc: Director, U.S. Fish and Wildlife Service

CLASSIFICATION OF MONETARY AMOUNTS

<u>Finding Area</u>	<u>Funds To Be Put To Better Use</u>
Nonquarters Expenditures	\$26,596

SITES VISITED OR CONTACTED

<u>Site</u>	<u>Location</u>
Region 1	
Regional Office	Portland, Oregon
Carson National Fish Hatchery	Carson, Washington
Conboy Lake National Wildlife Refuge	Glenwood, Washington
Eagle Creek National Fish Hatchery	Estacada, Oregon
Little White Salmon-Willard National Fish Hatchery	Cook, Washington
Malheur National Wildlife Refuge	Princeton, Oregon
McNary National Wildlife Refuge	Burbank, Washington
Pierce National Wildlife Refuge	Stevenson, Washington
Ridgefield National Wildlife Refuge	Ridgefield, Washington
Salton Sea National Wildlife Refuge*	Calipatria, California
Sheldon-Hart Mountain National Aquatic Refuge	Lakeview, Oregon
Spring Creek National Fish Hatchery	Underwood, Washington
Toppenish National Wildlife Refuge	Toppenish, Washington
Umatilla National Wildlife Refuge	Umatilla, Oregon
Warm Springs National Fish Hatchery	Warm Springs, Oregon
Region 4	
Regional Office	Atlanta, Georgia
Blackboard Island National Wildlife Refuge	McIntosh, Georgia
Carolina Sandhills National Wildlife Refuge	McBee, South Carolina
Greers Ferry National Fish Hatchery	Heber Springs, Arkansas
Harris Neck National Wildlife Refuge	Beaufort County, Georgia
McKinney Lake National Fish Hatchery	Hoffman, North Carolina
Norfolk National Fish Hatchery	Mountain Home, Arkansas
Orangeburg National Fish Hatchery	Orangeburg, South Carolina
Piedmont National Wildlife Refuge	Round Oak, Georgia
Pinckney Island National Wildlife Refuge	Jasper County, Georgia

*Contacted only.

<u>Site</u>	<u>Location</u>
Region 4 (Cont.)	
Savannah National Wildlife Refuge	Savannah, Georgia
Walhalla National Fish Hatchery	Walhalla, South Carolina
Warm Springs National Fish Hatchery	Warm Springs, Georgia
White River National Wildlife Refuge	Dewitt, Arkansas
Yazoo National Wildlife Refuge	Hollandale, Mississippi
Region 5	
Regional Office	Hadley, Massachusetts
Back Bay National Wildlife Refuge	Virginia Beach, Virginia
Berkshire National Fish Hatchery	Great Barrington, Massachusetts
Chincoteague National Wildlife Refuge	Chincoteague, Virginia
Edwin B. Forsythe National Wildlife Refuge	Oceanville, New Jersey
Eastern Shore of Virginia National Wildlife Refuge	Cape Charles, Virginia
Great Dismal Swamp National Wildlife Refuge	Suffolk, Virginia
Great Meadows National Wildlife Refuge	Sudbury, Massachusetts
Great Swamp National Wildlife Refuge	Basking Ridge, New Jersey
Harrison Lake National Fish Hatchery	Charles City, Virginia
Iroquois Job Corps Center	Medina, New York
Iroquois National Wildlife Refuge	Alabama, New York
Montezuma National Wildlife Refuge	Seneca Falls, New York
North Attleboro National Fish Hatchery	North Attleboro, Massachusetts
Patuxent Environmental Science Center	Laurel, Maryland
Presquile National Wildlife Refuge	Hopewell, Virginia
Seatuck National Wildlife Refuge	Shirley, New York
Supawna Meadows National Wildlife Refuge	Salem County, New York
Target Rock National Wildlife Refuge	Hunting, New York
Tunison Laboratory of Fish Nutrition	Cortland, New York
Wertheim National Wildlife Refuge	Shirley, New York



United States Department of the Interior

FISH AND WILDLIFE SERVICE

Washington, D.C. 20240

IN REPLY REFER TO:

FWS/CGS

OCT 31 1995

Memorandum

To: Acting Assistant Inspector General for Audits

From: ~~Deputy~~ Director

Subject: Response to Draft Office of Inspector General Audit Regarding operation and Maintenance of Government Furnished Quarters, U.S. Fish and Wildlife Service, E-I N-FWS-007-94

Thank you for providing the Fish and Wildlife Service with the opportunity to review and comment on the above referenced (draft audit report. We concur with each of the draft report's eight recommendations, and have provided in the attachment a listing of planned actions, proposed completion dates, and the titles of responsible officials.

We appreciate the information and recommendations provided in the draft audit report and will make every effort to implement corrective actions in a timely and effective manner. If you have any questions, please contact Joel Greenstein, Chief, Division of Contracting and General Services, Washington Office, at (703) 358-1901.

Attachment

U.S. Fish and Wildlife Service
Washington, D.C.

Subject: Office of Inspector General Draft Audit Report Regarding Operation and Maintenance of Government Furnished Quarters, U.S. Fish and Wildlife Service, E-IN-FWS-O07-94, September 1995

The following comments are submitted in response to the recommendations contained in the above referenced draft audit report in accordance with Part 360, Chapter 5 of the Departmental Manual:

OIG Recommendation 1: Conduct a review of existing Government furnished quarters to identify those units no longer needed to house Department of the Interior employees. Alternative uses should be developed for the units no longer needed, or the units should be disposed of.

FWS Response: Concur. In response to the May 1995 preliminary draft audit regarding the above, the Service's Regional Quarters Officers were asked to provide updates to the Servicewide quarters data base regarding dates vacated and occupied. The updated U.S. Fish and Wildlife Service quarters data base has been reviewed, and vacant quarters were identified. The following additional actions are planned:

a. Memoranda will be sent to all Fish and Wildlife Service Regional Offices with printouts listing their respective vacant quarters. Regional quarters officers (RQO) will be required to complete any missing information. Field Stations will be required to state in writing (as approved by their respective Regional Directors) their plans to utilize, convert, or remove from the quarters rolls any units that are vacant.

Completion Date(s): March 29, 1996

Title of Responsible Official(s): Assistant Director - Policy, Budget and Administration, and Regional Directors

b. Improved space in residences can often be adapted to alternative uses such as office or warehouse space. As an initial step in the reutilization of vacant quarters, the locations of vacant quarters have been compared to the locations of leased office space. Several locations have been identified for which the improved space of long-term vacant quarters is roughly equal to or greater than nearby leased space or a pending space request. The Regional Offices will be requested to examine whether vacant quarters would be a suitable substitute for General Services Administration-leased space.

Completion Date(s): March 29, 1996

Title of Responsible Official(s): Assistant Director - Policy, Budget and Administration, and Regional Directors

Recommendation 2: Require that facility managers enter into formal lease agreements with non-Department of the Interior tenants which identify the responsibilities and liabilities of both the Government and the tenants who use the Government-furnished quarters.

FWS Response: Concur. Part 371, Section 1.5.F of the U.S. Fish and Wildlife Service Manual (FWM), "Responsibilities," will be made more explicit (in draft and final) by requiring Station Managers to obtain a signed Form DI 1881, Quarters Assignment Agreement, from all .- tenants, including volunteers and non-Service employees. The appropriate forms for other Federal (GSA Form 1583) and non-Federal (GSA Form 1582) tenants will also be referenced in the FWM revision.

Completion Date(s): June 28.1996

Title of Responsible Official(s): Assistant Director - Policy, Budget and Administration, and Regional Directors

Recommendation 3: Require that facility managers identify all rentals of Government furnished quarters to non-Department of the Interior personnel and ensure that such rentals meet the requirements established in Chapter 7 of the Service's Facility Management Manual.

FWS Response: Concur. See FWS Response to Recommendation 2 above. Reference is also made to the Departmental Quarters Handbook (Section 5.3, Interim Use of Non-excess and Excess Quarters by non-Federal Tenants, paragraph B. Approval), which requires approval by the Assistant Secretary for Fish and Wildlife and Parks and the General Services Administration in order to lease to non-Federal tenants. Regional Offices shall be reminded of these requirements.

Completion Date(s): June 28.1996

Title of Responsible Official(s): Assistant Director - Policy, Budget and Administration, and Regional Directors

Recommendation 4: Require that Regional officials conduct periodic (at least quarterly) reviews of the quarters account to ensure that expenditures from the account are appropriate.

FWS Response: Concur. The current Federal Finance System has a routine procedure for producing reports and electronic files of quarters account expenditures. The Division of Finance will work with the National Quarters Officer (at the Division of Contracting and General Services, Washington Office) by assisting him in retrieving the necessary reports. Once the National Quarters Officer has received and reviewed the monthly electronic report, he will coordinate necessary corrections and/or reallocations of any questionable expenditures with the Regional Offices.

Completion Date(s): June 28, 1996

Title of Responsible Official(s): Assistant Director - Policy, Budget and Administration, and Regional Directors

Recommendation 5: Prohibit the use of quarters account funds for facilities and/or houses that are no longer needed, as established by the Service's review of existing facilities.

FWS Response: Concur. Section 320 of Public Law 98-473 (General Provisions of the Fiscal Year 1985 Interior and Related Agencies Appropriations Act) already restricts the expenditure of quarters receipts to quarters operations and maintenance. Revised Department Quarters Handbook Chapters 17.3 and 7.2 A.(7) itemize the authorized uses of quarters income. Implementation of Recommendation 4 above will allow for the timely identification of quarters-related expenditures.

Completion Date(s): June 28, 1996

Title of Responsible Official(s): Assistant Director - Policy, Budget and Administration, and Regional Directors

Recommendation 6: Require that supporting documentation for expenditures charged to the quarters account identify the unit on which the work was performed. In addition, the supporting documentation for all labor charges should indicate the work accomplished on the unit.

FWS Response: Concur. One of the Station Manager's responsibilities cited in the draft FWM revision at 371 FW 1.5 F.(5) is to "ensure that any major quarters maintenance project (\$1,000+) is documented on a maintenance work order as found in the Maintenance Management System (Form 3-21 13). This form includes a description of the project, quarters number, dates started and completed, project cost, materials cost, contractor involvement and/or staff hours expended. A review of quarters expenditures will be included in biennial station inspections conducted by the Regional Office. "

Completion Date(s): June 28, 1996

Title of Responsible Official(s): Assistant Director - Policy, Budget and Administration, and Regional Directors

Recommendation 7: Require that facility managers conduct annual maintenance inspections of Government furnished quarters and document the results. The results of the inspections should be reported to the RQO, who should adjust the tenant rental rates as appropriate.

FWS Response: Concur. The following requirements will be added to: (a) 371 FW 1.5, Responsibilities C., section (7) under Regional Director, "Ensures that the biennial station

inspection includes a review of quarters management and quarters maintenance expenditures;” and (b) 371 FW 1.5 F., section (4) under Station Manager, “... housing inventory changes resulting from maintenance work is to be sent to the RQO within 30 days of completion. ”

Completion Date(s): June 28.1996

Title of Responsible Official(s): Assistant Director - Policy, Budget and Administration, and Regional Directors

Recommendation 8: Require that facility managers conduct annual surveys to support reductions to prevailing rental rates and document the results.

FWS Response: Concur. The draft revision of the Fish and Wildlife Service Manual, Part 371 FW, section 1.5 F.(4), will require that Station Managers “Ensure that documentation for lack of amenities, loss of privacy, excess or inadequate size, excess heating and cooling costs and poor condition deductions is updated annually. ” The documentation is to be signed and dated by the Station Manager and sent to the RQO by November 30 of each year.

Completion Date(s): November 30.1996

Title of Responsible Official(s): Assistant Director - Policy, Budget and Administration, and Regional Directors

STATUS OF AUDIT REPORT RECOMMENDATIONS

<u>Finding/Recommendation Reference</u>	<u>Status</u>	<u>Action Required</u>
1 through 8	Resolved; not implemented.	No further response to the Office of Inspector General is required. The recommendations will be referred to the Assistant Secretary for Policy, Management and Budget for tracking of implementation.

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